

## STATE OF MAINE EXECUTIVE DEPARTMENT STATE PLANNING OFFICE 38 STATE HOUSE STATION AUGUSTA, MAINE 04333

JOHN ELIAS BALDACCI GOVERNOR

PHONE: (207) 287-2456

TIM GLIDDEN DIRECTOR

TO: Municipal and County Officials FROM: Maine State Planning Office

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RE: Next Year's LD 1 Average Personal Income Growth is 1.66%

With the passage of "LD 1" in 2005, towns and counties are required to calculate a property tax levy limit each year based on <u>local</u> property growth and <u>statewide</u> average personal income growth. Each town and county is responsible for calculating its property growth. The State Planning Office (SPO) is responsible for calculating income growth. For the 2010 property tax year (the 2011 budget year for most towns), SPO has determined that figure to be 1.66%. The table below shows how SPO calculated that percentage.

## Calculation of Maine's "Average Personal Income Growth"

Calendar	Nominal Personal				Real Personal
Year	Income	% Change	CPI-U	% Change	Income
1999	\$31,861,827		166.6		
2000	\$34,096,690	7.01%	172.2	3.36%	3.65%
2001	\$36,232,131	6.26%	177.1	2.85%	3.42%
2002	\$37,383,244	3.18%	179.9	1.58%	1.60%
2003	\$39,000,530	4.33%	184.0	2.28%	2.05%
2004	\$41,164,305	5.55%	188.9	2.66%	2.89%
2005	\$41,981,794	1.99%	195.3	3.39%	-1.40%
2006	\$44,307,181	5.54%	201.6	3.23%	2.31%
2007	\$46,357,695	4.63%	207.3	2.85%	1.78%
2008	\$48,200,182	3.97%	215.3	3.84%	0.13%
2009	\$48,089,690	-0.23%	214.5	-0.36%	0.13%
				AVERAGE	1.66%

Sources: U.S. Bureau of Economic Analysis and U.S. Bureau of Labor Statistics

This calculation reflects the methodology described in LD 1, which is now Public Law 2005, Chapter 2: "Average real personal income growth' means the average for the prior 10 calendar years, ending with the most recent calendar year for which data is available, of the percent change in personal income in this State, as estimated by the United States Department of Commerce, Bureau of Economic Analysis, less the percent change in the Consumer Price Index for the calendar year." 2009 is currently the most recent year for which data is available.

FAX: (207) 287-6489